

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02199A
Pima Utility Company (Water)
9532 E. Riggs Rd.
Sun Lakes, AZ 85248-7411

RECEIVED

MAY 15 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-16-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Pima UTILITY Company - Water Division

Mailing Address 9532 E Riggs Rd.
(Street)

San Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-4347

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 24607 S. Price Rd
(Street)

San Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-5009

Local Office Telephone No. (Include Area Code)

(480) 802-9463

Fax No. (Include Area Code)

(602) 757-1548

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: James L. Poulos
(Name)

General Manager
(Title)

9532 E. Riggs Rd.
(Street)

San Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 802-9463

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Dave Voorhees
(Name)

24607 S. Price Rd.
(Street)

San Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-5009

Telephone No. (Include Area Code)

(480) 802-9463

Fax No. (Include Area Code)

(602) 757-1548

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>James D. Hubbard</u>			
(Name)			
<u>9532 E. Riggs Rd.</u>	<u>San Lakes</u>	<u>AZ</u>	<u>85248</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 895-9200</u>			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Pager/Cell No. (Include Area Code)			
Attorney: <u>Marty Aranson</u>			
(Name)			
<u>One E. Camelback</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85012</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 263-2972</u>			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Pager/Cell No. (Include Area Code)			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME *Pima Utility Company - Water Division*

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	97,637	Ø	97,637
304	Structures and Improvements	2,239,806	472,539	1,767,267
307	Wells and Springs	898,672	256,428	642,244
311	Pumping Equipment	641,969	200,600	441,369
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	2,259,857	775,203	1,484,654
331	Transmission and Distribution Mains	3,029,069	1,255,228	1,773,841
333	Services	3,593,788	324,723	3,269,065
334	Meters and Meter Installations	903,645	252,697	650,948
335	Hydrants	876,045	446,560	429,485
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	643,354	203,630	439,724
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	15,183,842	4,187,608	10,996,234

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Pima Utility Company - Water Division

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	97,637	0	0
304	Structures and Improvements	2,239,806	2.56	57,287
307	Wells and Springs	898,672	2.94	26,396
311	Pumping Equipment	641,969	2.76	17,690
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	2,259,857	2.91	65,824
331	Transmission and Distribution Mains	3,029,069	2.11	63,991
333	Services	3,593,788	2.74	98,565
334	Meters and Meter Installations	903,645	2.83	25,547
335	Hydrants	876,045	2.45	21,493
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	643,354	3.56	22,886
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	15,183,842	2.63	399,679

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME Pima Utility Company - Water Division

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 58,867	\$ 92,109
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	161,114	158,449
146	Notes/Receivables from Associated Companies	3,030,456	3,013,831
151	Plant Material and Supplies		
162	Prepayments		1,633
174	Miscellaneous Current and Accrued Assets	8,904	1,285
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3,259,341	\$ 3,267,307
	FIXED ASSETS		
101	Utility Plant in Service	\$ 14,840,842	\$ 15,183,842
103	Property Held for Future Use		
105	Construction Work in Progress	8,197	676,368
108	Accumulated Depreciation – Utility Plant	(3,919,181)	(4,187,608)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 10,929,858	\$ 11,672,602
	TOTAL ASSETS	\$ 14,189,199	\$ 14,939,909

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *Pima Utility Company - Water Division*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 69,487	\$ 111,278 4
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	89,230	89,001
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	65,759	57,691
	TOTAL CURRENT LIABILITIES	\$ 224,476	\$ 257,878 6
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	423,588	423,588
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	632,418	632,418
272	Less: Amortization of Contributions	(444,966)	(463,939)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 611,040	\$ 592,067
	TOTAL LIABILITIES	\$ 835,516	\$ 849,941 3
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 107,416	\$ 107,416
211	Paid in Capital in Excess of Par Value	6,763,835	6,763,835
215	Retained Earnings	6,482,432	7,218,715
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 13,353,683	\$ 14,089,966
	TOTAL LIABILITIES AND CAPITAL	\$ 14,189,199	\$ 14,939,909

COMPANY NAME Pima Utility Company - Water Division

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,894,872	\$ 1,989,153
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$1,894,872	\$ 1,989,153
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 275,166	\$ 285,714
610	Purchased Water		
615	Purchased Power	239,413	249,984
618	Chemicals	26,382	26,966
620	Repairs and Maintenance	109,496	132,920
621	Office Supplies and Expense		
630	Outside Services	48,713	56,261
635	Water Testing	55,645	49,084
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	28,204	22,621
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	56,409	55,059
403	Depreciation Expense	358,971	399,679
408	Taxes Other Than Income		
408.11	Property Taxes	112,950	110,491
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 1,311,349	\$ 1,388,779
	OPERATING INCOME/(LOSS)	\$ 583,523	\$ 600,374
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 50,987	\$ 128,694
421	Non-Utility Income	12,254	7,215
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 63,241	\$ 135,909
	NET INCOME/(LOSS)	\$ 646,764	\$ 736,283

COMPANY NAME	Pima Utility Company - Water Division
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ Ø

Meter Deposits Refunded During the Test Year

\$ Ø

COMPANY NAME	Pima Utility Company - Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-625798	125	1,100	820	20	10	1947
55-625799	250	2,200	750	16	10	1950
55-625800	150	1,600	502	14	8	1955
55-514527	150	1,500	874	20/16	8	1986
55-806730	200	1,200	861	16	12	Rehab 1994
55-566937	200	1,500	910	20	12	1999

* Arizona Department of Water Resources Identification Number

55-520891 150 1,600 900 20/16 10/8/10 1988

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
75	4	705	
40	2		
25	8		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
400,000	1	5,000	1
600,000	1	15,000	1
750,000	2		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Pima Utility Company - Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	221
3		
4	PVC	7,031
5		
6	PVC	305,587
8	PVC	96,682
10	PVC	43,488
12	PVC	13,527

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	9,805
3/4	4
1	252
1 1/2	9
2	97
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Chlorinators - 4

STRUCTURES:

Pump Houses - 2

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Pima UTILITY Company - Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	9,864	119,416	118,285	Ø
FEBRUARY	9,890	119,309	113,610	Ø
MARCH	9,927	119,726	120,429	Ø
APRIL	9,955	181,592	168,868	Ø
MAY	9,988	238,883	218,113	Ø
JUNE	10,014	272,025	237,383	Ø
JULY	10,046	246,866	222,317	Ø
AUGUST	10,080	243,122	220,955	Ø
SEPTEMBER	10,103	197,380	181,044	Ø
OCTOBER	10,125	196,094	183,933	Ø
NOVEMBER	10,139	170,260	159,877	Ø
DECEMBER	10,150	112,192	124,688	Ø
TOTALS →		2,216,865	2,069,502	Ø

What is the level of arsenic for each well on your system? See below mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☒ Yes () No

If yes, provide the GPCPD amount: 462

Note: If you are filing for more than one system, please provide separate data sheets for each system.

well # 31 (POE #1) ~~3.4~~ PPB 6.1 PPB
 well # 34 (POE #2) 4.7 PPB
 well # 29A (POE #3) 3.4 PPB
 well # 29B (POE #3) 3.4 PPB

COMPANY NAME Pima Utility Company - Water Division YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 111,710.75

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

PIMA UTILITY COMPANY-WATER DIVISION
 9532 E Riggs Rd
 Sun Lakes, AZ 85248-7411

JP Morgan Chase Bank, N.A.
 201 N Central Ave Dept 383
 Phoenix, AZ 85038

91/2121 **312380**

Date	Amount
04/07/06	\$***158,322.29

Pay
ONE HUNDRED FIFTY EIGHT THOUSAND THREE HUNDRED TWENTY TWO AND 29/100 *****
 Dollars

To
 The
 Order
 Of **MARICOPA COUNTY TREASURER**
 301 W JEFFERSON ST
 PHOENIX AZ 85003-2143

[Signature]

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈312380⑈ ⑆122100024⑆ 0919 4278⑈ ⑆0015832229⑆

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

DO NOT WRITE STAMP OR SIGN BELOW - RESERVE FOR FINANCIAL INSTITUTION USE

Mar 20 2006 3 22 29 PM
 02003227

TO VIEW WATERMARKS
 HOLD AT ANGLE
 OR
 UNDER BLACKLIGHT

KNIGHT
 FINGERPRINT

0004 59409

APR 14 2006

119013314

1. Answer all the Knight & Fingerprint Check's on the back of the check. The check is not valid unless all the Knight & Fingerprint Check's are answered correctly. The check is not valid unless all the Knight & Fingerprint Check's are answered correctly. The check is not valid unless all the Knight & Fingerprint Check's are answered correctly.


2. The date of the check must be the date of the Knight & Fingerprint Check. The check is not valid unless the date of the Knight & Fingerprint Check is the same as the date of the check.

3. Signature area must be signed by the Knight & Fingerprint Check. The check is not valid unless the signature area is signed by the Knight & Fingerprint Check.

4. Answer all the Knight & Fingerprint Check's on the back of the check. The check is not valid unless all the Knight & Fingerprint Check's are answered correctly.

5. Mar. to Printing in the U.S. is not valid unless all the Knight & Fingerprint Check's are answered correctly.

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9194278	312380	\$158,322.29	4/7/2006	4/14/2006	5140733986
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
20060407 MARICOPA	601	000000000000	20060428524801	20060428524801		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW		312929				
PIMA UTILITY COMPANY-WATER DIVISION 9532 E Riggs Rd Sun Lakes, AZ 85248-7411		91-2/1221 JPMorgan Chase Bank, N.A. 201 N Central Ave Dept 383 Phoenix, AZ 85038				
Pay <u>ONE HUNDRED FIFTY SIX THOUSAND ONE HUNDRED THIRTY FOUR AND 80/100 *****</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Date</th> <th style="width: 70%;">Amount</th> </tr> <tr> <td style="text-align: center;">10/13/06</td> <td style="text-align: right;">\$***156,134.80</td> </tr> </table>		Date	Amount	10/13/06	\$***156,134.80
Date	Amount					
10/13/06	\$***156,134.80					
Dollars						
To The Order Of	MARICOPA COUNTY TREASURER 301 W JEFFERSON ST PHOENIX AZ 85003-2143					
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING						
⑈312929⑈ ⑆122100024⑆ 0919 4278⑈		⑈0015613480⑈				

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

[illegible]

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9194278	312929	\$156,134.80	10/13/2006	10/20/2006	5340632030
Customer Data		Bank #	GL Category	CD VolID/CIMS Key		CD Label
20061013 MARICOPA		601	000000000000	20061031464101		20061031464101

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Pima Utility Company - Water Division</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

(480) 895 - 9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26

DAY OF



MY COMMISSION EXPIRES

8/1/08

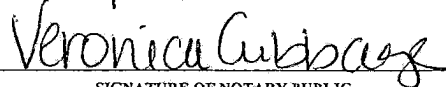
COUNTY NAME

Pinal

MONTH

April

2007



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Pima Utility Company - Water Division YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Ø
Estimated or Actual Federal Tax Liability Ø

State Taxable Income Reported Ø
Estimated or Actual State Tax Liability Ø

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances Ø
Amount of Gross-Up Tax Collected Ø
Total Grossed-Up Contributions/Advances Ø

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

5/15/07

DATE

James Poulos

PRINTED NAME

General Manager

TITLE

RECEIVED

APR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Pima Utility Company - Water Division</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,133,057

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 137,890
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

[Signature]

SIGNATURE OF OWNER OR OFFICIAL

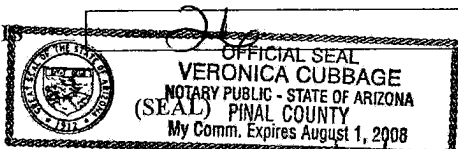
(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24 DAY OF



COUNTY NAME	<u>Pinal</u>
MONTH	<u>April</u>
	<u>2007</u>

Veronica Cubbage
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/1/08

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

APR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa	
NAME (OWNER OR OFFICIAL)	James L. Poulos	TITLE General Manager
COMPANY NAME	Pima Utility Company - Water Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,463,086

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 86,371
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26

DAY OF



MY COMMISSION EXPIRES

8/1/08

NOTARY PUBLIC NAME	Veronica Cubbage	
COUNTY NAME	Pinal	
MONTH	April	.2007

X Veronica Cubbage
SIGNATURE OF NOTARY PUBLIC